



Nov. 6, 2013

Dear Lawmaker:

On behalf of the more than 88,000 activists of Americans for Prosperity-Michigan, I am writing regarding the package of bills before the House Commerce Committee that make changes to the Michigan Strategic Fund (MSF).

In particular, I urge your strong opposition to SB 269, which would send an additional \$228 million in general funds to the Michigan Strategic Fund until FY 2018-19. This proposal would move general fund dollars into a corporate welfare slush fund, even as some lawmakers cry poverty and push proposals that would take more money from taxpayers.

In the context of discussions over whether to raise gas taxes, hike registration fees, and make up a \$130 million shortfall in the Health Insurance Claims Assessment (HICA) by levying a \$25 tax per insured vehicle, SB 269 is a particularly egregious use of tax dollars. Lawmakers who say they are committed to establishing responsible, common sense spending priorities cannot in good conscious vote for this bill.

On their face, this entire package of bills appears to expand the authority of the MSF—giving unelected political appointees even more power and unchecked discretion to dole out tax dollars for corporate welfare that yields little to no measurable benefit for Michigan citizens. However, it is more likely these changes simply reflect the current reality. Since their inception, the MEDC and 21st Century Job Trust Fund have been political slush funds that divert valuable taxpayer resources to an inappropriate function of government—picking economic winners and losers.

The MEDC has a long history of questionable deals and lack of transparency. This package of bills does not change the MEDC's track record, nor is it likely to alter the course going forward. At best, the provisions in this package seem to simply codify an already poor use of taxpayer resources. At worst, these bills transfer even more power and money into the hands of unelected bureaucrats.

Sincerely,

Scott Hagerstrom
State Director
Americans for Prosperity-Michigan